Agenda Item No.\_

 $\mathsf{File}\ \mathsf{Code}\ \mathsf{No.}\ \ 330.04$ 



## **CITY OF SANTA BARBARA**

## **COUNCIL AGENDA REPORT**

AGENDA DATE: April 24, 2012

**TO:** Mayor and Councilmembers

**FROM:** Business Division, Waterfront Department

**SUBJECT:** Lease Agreement With The Harbor Market

## **RECOMMENDATION:**

That Council approve a five-year lease agreement with Lisa Clagg, doing business as Harbor Market, for the 676 square foot convenience store located at 125 Harbor Way, Suite 8, at a base rent of \$2,159.75 per month, subject to an annual Cost of Living adjustment or 6% of gross sales, whichever is greater.

## **DISCUSSION:**

Lisa Clagg has operated the Harbor Market on the first floor of the Marine Center Building since 1991. The current lease will expire on April 30, 2012.

The basic lease terms of the proposed lease are summarized as follows:

- **Term**: Five years
- **Base Rent**: \$2,159.75 per month (\$3.19 p.s.f.)
- Percentage Rent: Base rent or 6% of gross sales, whichever is greater
- Annual Rent Adjustment: Cost of Living increases based on the Consumer Price Index (CPI)
- **Utilities**: Separately metered, paid directly to utility companies
- Permitted Use: Tenant shall use the Premises as a convenience store for the retail sale of food, beverages and sundries to the general public. Tenant may sell any ready-to-eat food items commonly found in convenience stores in Santa Barbara including, but not limited to, hot dogs, prepackaged sandwiches, and popcorn.

Lisa Clagg is considered to be a tenant in good standing by the Department as she is always prompt with her rent payments and has no lease compliance problems on file. The Harbor Commission recommended approval of the lease agreement at the March 15, 2012, meeting.

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**ATTACHMENT:** Site Plan

PREPARED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office



